

DANAHER CORP /DE/
Form 10-Q
July 27, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 1, 2011

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-8089

DANAHER CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware
(State of Incorporation)

59-1995548
(I.R.S. Employer Identification number)

2200 Pennsylvania Avenue, N.W., Suite 800W

Washington, D.C.
(Address of Principal Executive Offices)

20037-1701
(Zip Code)

Registrant's telephone number, including area code: 202-828-0850

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

The number of shares of common stock outstanding at July 15, 2011 was 685,554,656.

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(\$ in thousands)

(unaudited)

	July 1, 2011	December 31, 2010 (Note 1)
ASSETS		
Current Assets:		
Cash and equivalents	\$ 551,583	\$ 1,632,980
Trade accounts receivable, net	3,099,418	2,159,503
Inventories:		
Finished goods	1,115,452	582,331
Work in process	314,060	185,658
Raw material and supplies	635,537	412,194
Total inventories	2,065,049	1,180,183
Prepaid expenses and other current assets	838,750	1,070,215
Total current assets	6,554,800	6,042,881
Property, plant and equipment, net of accumulated depreciation of \$1,583,010 and \$1,462,686, respectively	2,226,119	1,160,886
Investment in joint venture	533,136	511,283
Other assets	1,247,548	696,498
Goodwill	14,741,004	10,482,998
Other intangible assets, net	6,210,769	3,322,584
Total assets	\$ 31,513,376	\$ 22,217,130
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Notes payable and current portion of long-term debt	\$ 47,932	\$ 40,761
Trade accounts payable	1,515,113	1,169,185
Accrued expenses and other liabilities	2,718,251	2,110,756
Total current liabilities	4,281,296	3,320,702
Other long-term liabilities	4,151,630	2,339,755
Long-term debt	6,524,931	2,783,907
Stockholders' equity:		
Common stock - \$0.01 par value	7,585	7,295
Additional paid-in capital	3,746,995	2,412,401
Retained earnings	11,997,077	10,945,928
Accumulated other comprehensive income	737,839	345,386
Total Danaher stockholders' equity	16,489,496	13,711,010
Non-controlling interest	66,023	61,756

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Total stockholders' equity	16,555,519	13,772,766
Total liabilities and stockholders' equity	\$ 31,513,376	\$ 22,217,130

See the accompanying Notes to the Consolidated Condensed Financial Statements.

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(\$ and shares in thousands, except per share amounts)

(unaudited)

	Three Months Ended		Six Months Ended	
	July 1, 2011	July 2, 2010	July 1, 2011	July 2, 2010
Sales	\$ 3,711,674	\$ 3,217,428	\$ 7,057,376	\$ 6,225,257
Cost of sales	1,768,479	1,611,875	3,350,793	3,150,992
Gross profit	1,943,195	1,605,553	3,706,583	3,074,265
Operating costs and other:				
Selling, general and administrative expenses	1,095,749	896,588	2,065,451	1,762,919
Research and development expenses	235,803	191,199	453,376	372,035
Earnings from unconsolidated joint venture	(14,460)		(28,935)	
Operating profit	626,103	517,766	1,216,691	939,311
Non-operating income (expense):				
Interest expense	(31,709)	(28,944)	(62,434)	(58,988)
Interest income	2,280	1,039	4,395	2,592
Earnings from continuing operations before income taxes	596,674	489,861	1,158,652	882,915
Income taxes	(147,028)	(127,738)	(288,760)	(228,046)
Earnings from continuing operations	449,646	362,123	869,892	654,869
Earnings from discontinued operations, net of income taxes	199,118	10,353	208,230	17,840
Net earnings	\$ 648,764	\$ 372,476	\$ 1,078,122	\$ 672,709
Earnings per share from continuing operations:				
Basic	\$ 0.67	\$ 0.55	\$ 1.31	\$ 1.01
Diluted	\$ 0.65	\$ 0.53	\$ 1.26	\$ 0.97
Earnings per share from discontinued operations:				
Basic	\$ 0.30	\$ 0.02	\$ 0.31	\$ 0.03
Diluted	\$ 0.29	\$ 0.02	\$ 0.30	\$ 0.03
Net earnings per share:				
Basic	\$ 0.97	\$ 0.57	\$ 1.62	\$ 1.03*
Diluted	\$ 0.94	\$ 0.55	\$ 1.56	\$ 1.00

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Average common stock and common equivalent shares outstanding (in thousands):

Basic	667,207	652,478	664,403	650,723
Diluted	694,599	682,338	691,464	681,230

* Earnings per share amounts do not add due to rounding.

See the accompanying Notes to the Consolidated Condensed Financial Statements.

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(\$ and shares in thousands)

(unaudited)

(\$ and shares in thousands)	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interest	Comprehensive Income
	Shares	Amount					
Balance, December 31, 2010	729,516	\$ 7,295	\$ 2,412,401	\$ 10,945,928	\$ 345,386	\$ 61,756	
Net earnings				1,078,122			1,078,122
Dividends declared				(26,973)			
Common stock issuance	19,250	193	966,302				